

democracy will move steadily up the scale from the village to the province and, ultimately, to the highest national level.

We cannot achieve these goals through economic isolationism. Wang Dan, a student leader at Tiananmen Square, said "the west should not try to isolate the Communist regime. Economic change does influence political change." Let us support PNTR and allow free trade to open doors to the people of China.

TEACHER APPRECIATION WEEK

(Ms. HOOLEY of Oregon asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HOOLEY of Oregon. Mr. Speaker, in honor of National Teachers Appreciation Week, I rise to pay tribute to our teachers. I would like to recognize Mike Weddle, a teacher from Waldo Middle School in Salem, Oregon, who was recently awarded one of the three Milken awards for his exceptional work as a teacher in Oregon.

Mr. Weddle was chosen to receive this award because of his constant efforts to go above and beyond the required duties providing the best possible education for the children of Oregon. Mike Weddle is just one example of the thousands upon thousands of teachers out there determined to make a difference in a student's life.

In cities and towns across my district, teachers arrive to greet their overcrowded classes of 25, 30 and sometimes 35 students. Many teach in less than ideal environments, in schools that many of us would not work in. But they come back, day after day, dedicated to teaching our children.

There are few things that are more important to the people in my district than the education of our children. However, we often take our teachers for granted and forget to say thank you for all the tireless work that they do. I am here today to say thank you. Thank you for working to ensure that every child has the opportunity to learn and to achieve his or her fullest potential.

Let us really say thank you to our teachers by passing the school construction bill.

□ 1045

AMERICAN TAXPAYERS DESERVE BUDGET THAT ELIMINATES WASTE, FRAUD AND ABUSE

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, since 1995, Republicans have been working hard here in Congress to restore common sense to our Government. One of the ways we have done that is by declaring war on waste, fraud and abuse. American taxpayers work hard for

their money; and when they send a portion of it here to Washington, the least we can do is spend it responsibly.

Our House Committee on the Budget has a website where the American people can report on examples that they have seen of taxpayer money being spent wastefully.

One such example is a company here in Washington, D.C., that was awarded a \$6.6 million grant to find jobs for 1,500 welfare recipients. Nine months, \$1 million later, this company had found only 30 jobs. This contract has since been terminated. But this is just one example. And, unfortunately, there are hundreds more.

Last year's budget contained a .38 across the board budget cut aimed at eliminating waste, fraud and abuse. I hope this is something we can build on this year in Congress. American taxpayers deserve to have their money spent responsibly. They deserve a budget that eliminates waste, fraud and abuse.

CONGRESS MUST PASS BIPARTISAN SCHOOL CONSTRUCTION LEGISLATION

(Mr. ETHERIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ETHERIDGE. Mr. Speaker, I rise today to call on this Congress to pass bipartisan school construction legislation to help improve our education for our children.

This week is the 15th annual Teachers Appreciation Week, and yesterday we celebrated National Teacher Day. As the father of a fourth grade teacher, I commend the House on passing this bipartisan resolution supporting our teachers.

But Congress must do more than pass nonbinding resolutions. To make real progress in education, Congress must pass substantive legislation to improve our schools so every child has an opportunity and none are left behind. We must take action to help make sure every neighborhood school in this country works to provide our children with a decent education. We must work in a bipartisan manner to help pass common sense solutions to the challenges facing our schools.

The first bill we should pass is the bipartisan Johnson-Rangel school construction bill. This compromise bill contains elements of my own construction bill to help local communities build new schools, relieve overcrowding, reduce class sizes, and help teachers give students the individual attention they need and deserve.

I am proud to be an original cosponsor of this common sense bill that will make a difference in our community schools. I urge the House leadership to bring this important bill to the floor immediately so Congress can have an opportunity to do more to improve our schools.

PROVIDING FOR CONSIDERATION OF H.R. 3709, INTERNET NON-DISCRIMINATION ACT OF 2000

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 496 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 496

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3709) to make permanent the moratorium enacted by the Internet Tax Freedom Act as it applies to new, multiple, and discriminatory taxes on the Internet. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 4(a) of rule XIII are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. After general debate the bill shall be considered for amendment under the five-minute rule for a period not to exceed two hours. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to my friend, the gentleman from Ohio (Mr. HALL) pending which I yield myself such time as I may consume. Mr. Speaker, during consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 496 is an open rule providing for consideration of H.R. 3709, the Internet Non-discrimination Act. H. Res. 496 provides one hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. The rule waives points of order against consideration of the bill for failure to comply with clause 4(a) of rule 13, which requires a 3-day layover of the committee report.

H. Res. 496 makes in order the Committee on the Judiciary amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment, which shall be open for amendment at any point and provides that the amendment process shall not exceed 2 hours.

The rule allows the chairman of the Committee of the Whole to accord priority in recognition to those Members who have preprinted their amendments in the CONGRESSIONAL RECORD prior to their consideration.

The rule also allows the chairman of the Committee of the Whole to postpone recorded votes and reduce to 5 minutes the voting time on any postponed question providing that voting time on the first in any series of questions is not less than 15 minutes.

Finally, the rule provides one motion to recommit, with or without instructions, as is the right of the minority.

Mr. Speaker, as one who supports reducing the overall tax burden on American families, I wholeheartedly support this bill and the rule that brings it before us.

The high-tech revolution has changed the way that every American works and lives and has provided Americans with more freedom and prosperity. The high-tech sector accounted for 35 percent of the Nation's real economic growth from 1994 to 1998.

In Atlanta alone, according to the Metro-Atlanta Chamber of Commerce, we have more than 9,000 technology-related companies employing more than 165,000 technology workers. The high-tech sector is the engine of our current economic prosperity and has created thousands of new jobs and opportunities for our constituents, and we must ensure that excessive government intervention through discriminatory taxes and regulation does not threaten the future of the high-tech industry.

H.R. 3709 honors our pledge to ensure that barriers to future innovation, competition and growth in the high-tech sector do not discriminate against electronic commerce. The bill before us fulfills the promises made in 1998, when the 105th Congress unanimously passed the Internet Tax Freedom Act.

As my colleagues may recall, this important law prohibited for 3 years any taxes on the Internet access charges levied by service providers or any multiple or discriminatory taxes on Internet commerce.

The Internet Tax Freedom Act also created a commission to study if and

how e-commerce should be taxed. The commission reported back to Congress after months of considering the complexities of tax law as it relates to the emerging e-commerce sector.

While the commission was not able to agree on a new format for dealing with this difficult challenge, a majority of the members did agree on one thing, the need to extend the moratorium. Under current law, the 3-year moratorium on Internet taxation is set to expire on October 21, 2001, and can only be extended by Congress. I supported the moratorium when it was proposed, and I continue to support it now.

There has been some confusion about the effect of the language of the moratorium, and I want to take a brief moment to mention that this moratorium does not affect the larger issue of States and localities collecting taxes on sales that occur on the Internet. The bill deals only with the discriminatory taxes against the Internet, taxes that would not generally be imposed or legally collectible by a State or local government on transactions involving similar services.

Despite the fact that this bill does not affect the issues of sales taxes, I do believe that the Advisory Commission was on target in stating that the current sales and use tax system is complex and burdensome. Clearly, some nationwide consistency and fairness between Internet and Main Street retailers is necessary.

While the ultimate impact of e-commerce on traditional retailers and State revenues is far from clear, an equitable and fair tax system should not disproportionately burden any type of seller.

What H.R. 3709 does do is extend the moratorium on taxes on Internet access and multiple and discriminatory taxes on electronic commerce for 5 additional years.

The Internet Tax Freedom Act was aimed simply at preventing tax discrimination on-line, not at giving a tax preference, and the Internet Non-discrimination Act continues this sound policy. This extension would give businesses, policymakers, and the public more time to ensure that the ultimate solution to this dilemma will be comprehensive, equitable, and conducive to the growth of all sectors of the American economy.

Too often, we have rushed into making tax policy with only our good intentions, and the final product is a tax code that has dozens of loopholes, hundreds of giveaways, and thousands of pages that even our best policy analysts do not understand. We cannot afford to do the same with the Internet. We can do better with America's money.

I congratulate the Committee on the Judiciary for their hard work on this legislation. This is a fair rule that allows all germane alternatives to be considered. I urge my colleagues to support it so that we may proceed with

general debate and consideration of this bipartisan bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Georgia (Mr. LINDER) for yielding me the time.

Mr. Speaker, this is a modified open rule which will allow for the consideration of H.R. 3709, a bill to extend, what we have heard, for 5 years the current moratorium on State and local taxes on Internet access.

As my colleague has explained, this rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. The rule will permit all Members on both sides of the aisle to offer germane amendments. However, the rule places a time cap of only 2 hours for the amendment process.

Like the railroads in the 19th century, the Internet has revolutionized our way of doing business and has spurred our national economy to great heights. And like the railroads, the Federal Government has a significant role in encouraging and assisting and providing a legal framework for the growth of the Internet. With that role is the responsibility to make sure that we do not take any action to stifle this productive force.

The bill before us today and the process that brought us here does not give me confidence that we are taking that responsibility seriously. The bill is simple enough, but it has generated great controversy. It imposes an unfunded mandate on State and local governments.

The administration opposes the bill. It is opposed by 39 governors, Democrats and Republicans, including the governor of my own State of Ohio. It is opposed by the National Conference of State Legislators, the National League of Cities, the National Retail Federation, and others.

Some Members have accused the bill of trampling on the 10th amendment.

Despite the controversy surrounding the bill, the House is rushing headlong toward its passage. The Committee on the Judiciary held a markup with only one day's notice. The report to accompany the bill was only filed on Monday, requiring the Committee on Rules to waive the House rule requiring a 3-day layover for committee reports.

There were no hearings on the bill. I understand the Committee on the Judiciary is planning hearings later this month. This draws to mind the Lewis Carroll line from Alice's Adventures in Wonderland: "Sentence first, verdict afterwards."

In the case of this bill, we have passage first, hearings afterwards. And now we have this rule with time caps that could restrict the ability of House Members to go offer amendments.

Mr. Speaker, I point out these facts not to oppose the bill. There are certainly merits behind this measure.

Rather, I wish to make the case that a bill this important and this controversial deserves more careful deliberation than the House is providing.

The current moratorium does not expire until October 2001, a year and a half from now. There is no rush. We have the time to do this properly and responsibly.

Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. DOGGETT).

□ 1030

Mr. DOGGETT. I thank the gentleman for yielding me this time.

Mr. Speaker, from the travel industry to the food industry, Internet commerce has spurred growth in all sectors of our economy. I believe we should encourage this new economy by minimizing regulation and maximizing the freedom to innovate on the Internet. The bill that we will have before us through this rule, the Internet Nondiscrimination Act, furthers that purpose. The bill extends the Internet tax moratorium which was too short as originally approved in this Congress, and it eliminates the grandfather clause of the Internet Tax Freedom Act that has enabled a dozen States, including my own State of Texas, to impose access charges on the Internet.

I believe that access to the Internet must be free, that we must prevent discriminatory taxes from being imposed now or in the future that would impede the ability of individuals and of businesses to gain access to the Internet and access to electronic commerce. Electronic commerce is still very much in its infancy, and if we burden it with regulations, if we overburden it with taxes, it will not be able to expand and achieve its full potential.

As a strong supporter of the Internet Tax Freedom Act when it was approved in 1998, I realized then that, while 3 years was all we could get approved in this Congress, it was insufficient to do the job of exploring the complexities of how any taxation in the future of this type of commerce would be achieved. That became particularly apparent in the overpoliticized atmosphere of the Advisory Commission on Electronic Commerce, which we asked to look objectively at this issue, but which was not able to resolve this and make a recommendation to the Congress.

Now, if this Congress were, as my colleague has just indicated, to do what this particular House this year and last year has demonstrated that it is most experienced in, and that is, doing nothing or next to nothing, we would not incur any additional burden on electronic commerce this year, because the current moratorium does not expire until October of 2001. So if there is inaction, nothing will occur that would be disadvantageous.

It is, however, an election year, and so this measure has been rushed through the Congress in the manner that was described, and that is unfortunate, because it would be good if we could have a dispassionate, objective, bipartisan review of these issues.

Our Republican colleagues have found it necessary continually to bring up measures to try to drive a wedge between the new economy, the high technology portion of our economy, and the Democratic Party. That is unfortunate, because I believe that only if we move in a bipartisan fashion are we going to be able to resolve these issues.

The State of Texas is one of those that has had the highest access charges, and I am pleased that we can provide a tax cut through this measure to the people of the State of Texas. The Texas Legislature would have been the better avenue for accomplishing that. They could have done it last year. It is unfortunate they did not.

The minority leader, the gentleman from Missouri, has spoken out in favor of an extension of the moratorium. He suggested 2 years. Naturally being an election year, the Republicans have come in and said, no, make it 5. If the gentleman from Missouri had suggested 5 years, they would have come in and said, no, make it 10. This is not the kind of process that is going to lead to a bipartisan addressing of these issues and eventually resolving how any commerce that transpires on the Internet, the goods and services that are sold over it, might be taxed so that we are not faced with virtual public schools and virtual fire departments instead of the real thing in the future if we see the total erosion of the State and local tax base.

So I would prefer a more deliberate process than this, but I think it is important to have some extension of the moratorium. The Senate will have an opportunity to look and craft this measure more carefully and see what the appropriate time limits are.

The much greater danger to the Internet that this bill does not address the problem that is raised by the gentleman from Georgia's bill to impose a 59.5 percent sales tax not as a State and local source of revenue, but as a Federal source of revenue, something about which I and other Members of our high tech advisory group as Democrats have strongly approved.

We feel that using electronic commerce as a source of Federal sales tax revenue poses a much greater potential burden, which this moratorium does not really reach. There is a lingering danger that Republicans, in their dogmatic zeal to junk the income tax code, will impose a new sales tax on all electronic commerce that adds 60 percent to the price of every purchase made online. We must both reject that bad idea and extend this moratorium.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LINDER. Mr. Speaker, I yield myself such time as I may consume.

I will just comment on the gentleman's comments who previously spoke about a 60 percent or 59.5 percent sales tax just to point out his own Democrat staff on the Committee on Ways and Means estimates that the next year

tax, revenue neutral, to be about 24 percent. He will pick the worst scenario.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

UNFUNDED MANDATE POINT OF ORDER

Mr. CONYERS. Mr. Speaker, I have a point of order that I would like to make about the bill that is pending.

The SPEAKER pro tempore (Mr. SUNUNU). Since the Chair is about to declare the House resolved into Committee of the Whole, the gentleman is recognized to state his point of order.

Mr. CONYERS. Mr. Speaker, pursuant to section 425 of the Congressional Budget and Impoundment Control Act of 1974, I make a point of order against the consideration of the bill, H.R. 3709, the Internet Nondiscrimination Act of 2000. Section 425 states that a point of order lies against legislation which imposes an unfunded mandate in excess of \$50 million annually against State or local governments. Page 2, lines 24 and 25 of H.R. 3709 contains a violation of section 425. Therefore, I make a point of order that this measure may not be considered pursuant to section 425.

The SPEAKER pro tempore. The gentleman from Michigan makes a point of order that the bill violates section 425(a) of the Congressional Budget Act of 1974.

In accordance with section 426(b)(2) of the Act, the gentleman has met his threshold burden to identify the specific language of the bill on which he predicates the point of order.

Under section 426(b)(4) of the Act, the gentleman from Michigan (Mr. CONYERS) and a Member opposed each will control 10 minutes of debate on the question of consideration.

Pursuant to section 426(b)(3) of the Act, after that debate, the Chair will put the question of consideration, to wit: Will the House now consider the bill in Committee of the Whole?

The gentleman from Michigan (Mr. CONYERS) is recognized for 10 minutes and the gentleman from Pennsylvania (Mr. GEKAS) will also be recognized for 10 minutes.

The Chair recognizes the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have made this point of order because it is necessary that we obtain additional information regarding the impact that the bill's unfunded mandate will have on State and local governments before we approve the bill. This is absolutely necessary. I would submit that not a Member of this body has any clear idea regarding how much this legislation will cost the States. The reason is, is because we have not had a single day or even a single minute of hearings on the legislation. We are flying totally blind. The